



Foreign Agricultural Service

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Hungary

Organic

Organic Production

1999

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Report Highlights:

Hungary practices organic farming on approximately 30,000 hectares with the majority of the production being exported. The GOH is currently drafting the legislation for this method of farming, although Hungary already utilizes EU standards to regulate organic production.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Budapest [HU1], HU

Organic Production Report

Executive Summary

Organic farming in Hungary began in the 1980's. The actual area utilized for production is approximately 30,000 hectares. The majority of the area is arable land; however, gardens, orchards, greenhouses and grasslands are also under inspection and produce certified products. Hungary uses EU law to regulate its organic production, but, in order to supplement the EU directives, Hungary is also drafting corresponding legislation.

Biokultura Association

Biokultura Association (BA) deals with the organization of activities, education, professional training, development, inspection and certification concerning organic farming. In 1996, BA had 1,200 members including 38 domestic cooperatives or limited companies and six foreign companies. The organization has been a full-pledged member of IFOAM since 1987. The association also operates an information center and publishes books and a monthly newspaper.

Certification

The Order of Ministry of Agriculture and Regional Development governing organic production is still in the legislative phase. The credibility and reliability of Hungarian organic inspection and certification is guaranteed by the strict compliance of three basic regulations: the IFOAM standards, the 2092/91 EU Regulation (and the Hungarian regulation based on this), and the standards of the B A.

Almost 70 percent of organic production is inspected and certified by the BA; 25 percent is checked by the German Demeter Bund and the Dutch SKAL; and the remainder is handled by ECOCERT International BCS (Biocontrol System) in Germany and other groups.

Production Policy

The GOH offers specific subsidies for farms transforming their crop, vegetable or orchard area to organic production. The support (in addition to any available subsidies) is HUF 12,000/hectare for crop production, HUF 35,000/hectare for horticulture, and HUF 1,400/hectare for grassland. (USD 1 = HUF 205)

Production, Trade

The actual area of production is about 30,000 hectares (and about the same amount of land is still in the three year "transition" phase). The majority of the area is arable land; however, gardens, orchards, greenhouses and grasslands are also under inspection and produce certified products. There are ambitious plans to increase this to 250,000 hectares by the year 2002.

More than 90 percent of all organic products are exported. There is a network of "organic", "bio", and "reform" food stores in Hungary (located mainly in bigger cities), but high prices and the lack of consumer awareness keep domestic sales low.

There are no relevant export/import statistics of organic products. Customs data does not make a distinction and, in case of overproduction, organic crops are combined with the traditionally-produced crop and sold.

Major organic products are grains, oilseeds (mainly sunflower and pumpkin seeds), millet, paprika, frozen fruit, fruit preserves and wine, herbs and spices.

The main export destinations are Germany, Austria, Switzerland and Sweden.

The imports of organic products are also hidden. This amount is, most likely, very low.